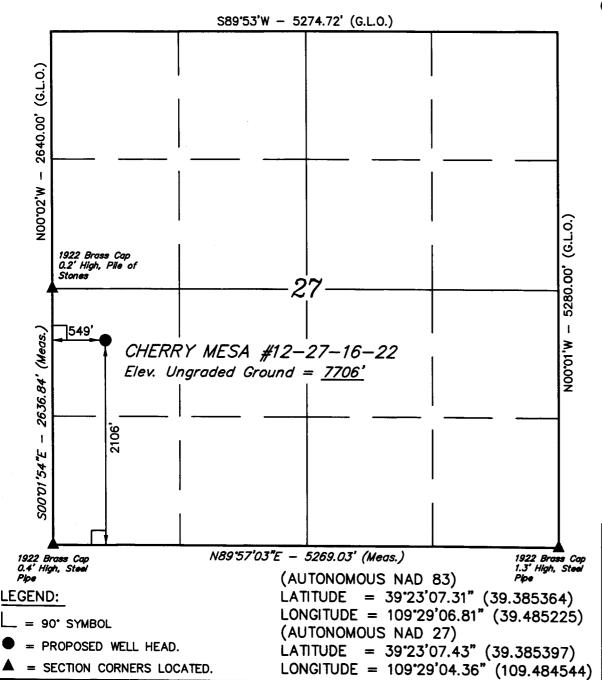
### **STATE OF UTAH**

DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS AND MINING

AMENDED REPORT	
(highlight changes)	

APPLICATION FOR PERMIT TO DRILL					5		-47568	SITLA		
1A. TYPE OF WORK: DRILL REENTER DEEPEN						7. IF INDIAN, ALLOTTEE OR TRIBE NAME: N/A				
	LL: OIL GA	e 🐼 OTHE	R	SIN	GLE ZONE [	MULTIPLE ZON	- LJ   8	UNIT	CA AGREEMENT	NAME:
B. TYPE OF WE		S D OINE							Spring Unit	₹:
2. NAME OF OPE	RATOR: II Corporation						1 -		y Mesa 12-2	
3. ADDRESS OF	OPERATOR: Suit	e 110	lity	TE UT ZIP 841	06	PHONE NUMBER: 801-466-4131		). FIELD	AND POOL, OR W	NLDCAT:
	WELL (FOOTAGES)	y Sail Lake C	STA	TE ZIP ZIP		001 400 4101		. QTR/	QTR, SECTION, TO	WNSHIP, RANGE,
	2 106 ESI & 5	49' FWL (NW	/SW) Se	c. 27-T16S-R	22E SLB&	М	l <sub>N</sub>	MERII WS\	dian: N 27 169	S 22E SL
AT PROPOSED	PRODUCING ZONE:	<sub>same</sub> 6305	22 X	39385	5385 9.484					
	MILES AND DIRECTION				9.484	477	1:	2. COU	NTY:	13. STATE:
	NE of Green Riv				elt			aran	d	UTAH
	NEAREST PROPERTY				ACRES IN LEA	SE:	17. NUM	BER OF	ACRES ASSIGNED	TO THIS WELL:
2,106'						2560				40
18. DISTANCE TO	O NEAREST WELL (DRIL R) ON THIS LEASE (FEE	LING, COMPLETED	OR	19. PROPOSED	DEPTH:				RIPTION:	
N/A	() () () () () () () () () () () () () (					10,400'			ond RLB 000	8795
	(SHOW WHETHER DF,	RT, GR, ETC.):		22. APPROXIMA Upon Ap		K WILL START:	30 da		DURATION:	
7,706' (GF	<del></del>			Opon Ap	piovai	-				
24.		1	PROPOS	ED CASING A	ND CEMEN	TING PROGRAM				
SIZE OF HOLE	CASING SIZE, GRAD	E, AND WEIGHT PE	R FOOT	SETTING DEPTH		CEMENT TYPE, QUA	ANTITY, YIE	LD, AN	D SLURRY WEIGHT	T
12.25"	9.625"	J-55	36#	3,375	Lead: Lite	Premium	52	Csx	3.12 cu ft/s	k 11.6 ppg
					Tail: Class	s G	45	0sx	1.19 cu ft/s	k 15.8 ppç
6.25"	4.5" HC	P-110	11.6#	10,400'	Lead: 50:	50 Pox foam	42	5 sx	2.01 cu ft/s	k · 9 ppg
					2nd: 50:50	O Poz foam	30	) sx	1.72 cu ft/s	k 11 ppg
					Tail: 50:50	) Poz	· 9	) sx	1.23 cu ft/ s	k 14.2 ppg
										· <u> </u>
				ΔΤΤΔ	CHMENTS		-			
25.	LOWING ARE ATTACH		- 140TU TUE I			GENERAL RULES:				
VERIFY THE FOI	LOWING ARE ATTACH	ED IN ACCORDANCE	YVIIN INE	JIAN OIL AND GAG G	ı —	oene, vie nobev.				
WELL PL	AT OR MAP PREPARED	BY LICENSED SUR	VEYOR OR E	NGINEER	<b> </b>	MPLETE DRILLING PLAN				
EVIDENO	CE OF DIVISION OF WAT	TER RIGHTS APPRO	VAL FOR US	E OF WATER	FO	RM 5, IF OPERATOR IS PE	RSON OR	COMPA	NY OTHER THAN T	HE LEASE OWNER
NAME (PLEASE	PRINT) Marc T. Ec	kels			TITL	Vice President				
SIGNATURE	10014	Clas			DAT	August 27, 200	)7			
(This space for Sta	ite use only)							-	property of the second second	<u> </u>
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API NUMBER AS	SIGNED: 43-	019-31	974	<del></del>	APPROVA	Ŀ			3.02.008	
								DIM		

## T16S, R22E, S.L.B.&M.



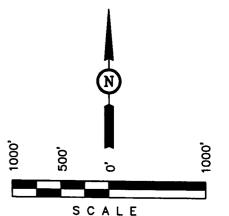
#### WIND RIVER II CORPORATION

Well location, CHERRY MESA #12-27-16-22, located as shown in the NW 1/4 SW 1/4 of Section 27, T16S, R22E, S.L.B.&M., Grand County, Utah. BASIS OF ELEVATION

SPOT ELEVATION AT A ROAD INTERSECTION LOCATED IN THE NW 1/4 OF SECTION 15, T16S, R22E, S.L.B.&M. TAKEN FROM THE CEDAR CAMP CANYON QUADRANGLE, UTAH, 7.5 MINUTE QUAD. (TOPOGRAPHIC MAP) PUBLISHED BY THE UNITED STATES DEPARTMENT OF THE INTERIOR, GEOLOGICAL SURVEY. SAID ELEVATION IS MARKED AS BEING 7446 FEET.

#### BASIS OF BEARINGS

BASIS OF BEARINGS IS A G.P.S. OBSERVATION.



#### CERTIFICATE .

THIS IS TO CERTIFY THAT THE ABOVE HER WAS APPLY DED FROM FIELD NOTES OF ACTUAL SURVEYS LADE BY ME OF UNDER MY SUPERVISION AND THAT THE SAFE CHE TRUE AND COMMISSION TO THE BEST OF MY KNOWLEDGE AND SEDEN TO 161319

UINTAH ENGINEERING & LAND SURVEYING
85 SOUTH 200 EAST - VERNAL, UTAH 84078

SCALE

1" = 1000'

PARTY

M.A. Q.B. C.H.

DATE SURVEYED: 08-10-07

08-20-07

REFERENCES

G.L.O. PLAT

(435) 789-1017

WEATHER FILE HOT WANT

WIND RIVER II CORPORATION



#### WIND RIVER II CORPORATION

1245 Brickyard Road Brickyard Tower, Suite 110 Salt Lake City, Utah 84106 Telephone: (801)466-4131

Facsimile: (801)466-4132

Email: utah@windrivercompanies.com

Marc T. Eckels - Vice President

August 27, 2007

Diana Whitney, Petroleum Technician Utah Division of Oil, Gas & Mining P. O. Box 145801 Salt Lake City, UT 84114-5801

Re:

Transmittal of Application for Permit to Drill

Cherry Mesa 12-27-16-22 NWSW Sec. 27-T16S-R22E

**Grand County** 

Dear Ms. Whitney:

Enclosed are two copies of the APD for the above-captioned well.

Water for drilling this well will be purchased from Bert Delambert and trucked from his ranch to the well site. The water right number is 49-123. We may also transfer water from the reserve pits of previously drilled wells on the property.

The well pad and the access road for this well are presently being surveyed for cultural resources by Montgomery & Associates. We do not expect any issues because this area was included in Montgomery's survey during the summer of 2004 as part of the archaeological clearance for the 40-square mile 3D seismic survey that preceded our drilling program.

As always, we appreciate your help and stand ready to answer any questions that may arise. I have always hoped that someday I would submit an APD to you that is not a rush. This is the day. You can take your time with this one.

Sincerely,

Marc T. Eckels

AUG 2 7 2007

## DRILLING PLAN WIND RIVER II CORP.

### **CHERRY MESA 12-27-16-22**

## 1. Estimated Formation Tops (Depth from Surface):

Green River @ Surface

Wasatch = 2,224

Mesaverde = 3,375'

Castlegate Sandstone = 5,452' - Gas

Mancos Shale = 5,672' - Gas

Dakota Silt = 9,022' - Gas

Dakota Sandstone = 9,110' - Gas

Cedar Mountain = 9,242' - Gas

Morrison = 9,381' - Gas

Entrada Sandstone = 9,938' - Gas

Carmel = 10,187'

Navajo = 10,245'

TD = 10,400

- 2. Wind River II's Minimum Specification for Pressure Control Equipment and Testing:
  - A. 5,000 psi WP Double Gate Blowout Preventer with Annular Preventer (schematic diagram attached)
  - B. BOPE will be pressure tested upon installation, whenever a seal subject to test pressure is broken or repairs are made; and at least once every 30 days. Chart recorders shall be used for all pressure tests.

Ram-type preventers and related pressure control equipment will be pressure tested to the rated working pressure of the stack assembly if a test plug is used. If a test plug is not used, the stack assembly will be tested to the rated working pressure of the stack assembly or to 70% of the minimum internal yield pressure of the casing, whichever is less.

Annular-type preventers will be pressure tested to 50% of rated working pressure.

- C. All casing strings will be pressure tested to 0.22 psi/ft or 1,500 psi, whichever is greater, prior to drilling plug after cementing. Test pressure not to exceed 70% of the internal yield pressure for the casing.
- D. Wind River II will comply with all requirements for well control specified in the Utah DOG&M Oil & Gas Conservation General Rules. DOG&M representative will be notified 24 hours prior to all BOPE and casing pressure tests.

### Auxiliary Equipment:

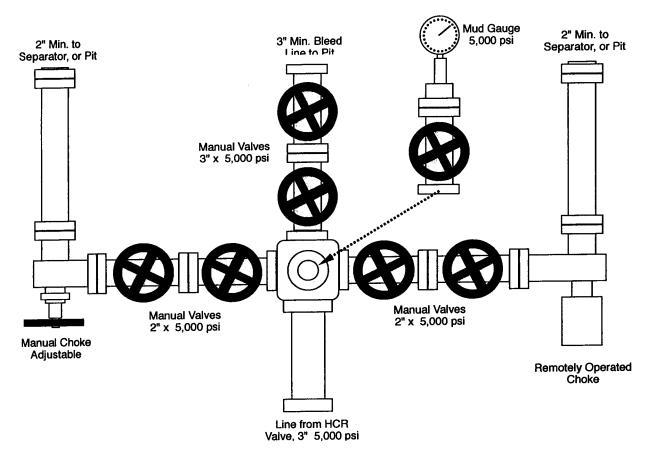
Kelly Cock - Yes

Float Sub at Bit - No

Mud Logger & Instrumentation- Yes

Full-opening Safety Valve on Rig Floor - Yes

Rotating Head - Yes



#### **Testing Procedure:**

- 1. BOP will be tested with a professional tester to conform to Onshore Order #2.
- 2. Blind and Pipe rams will be tested to rated working pressure, 5,000 psi.
- 3. Annular Preventer will be tested to 50% working pressure, 2,500 psi.
- 4. Casing will be tested to 0.22 psi/ft. or 1,500 psi. Not to exceed 70% of burst strength, whichever is greater.
- 5. All lines subject to well pressure will be tested to the same pressure as blind and pipe rams.
- 6. All BOPE specifications and configurations will meet Onshore Order #2 requirements.

#### 4. Casing Program\*:

	Setting Depth	Hole Size	Casing O.D.	Grade	Weight/Ft.
Conductor	40'	20"	14"	Contractor	0.250" wall
Surface	3,375'	12-1/4"	9-5/8"	J-55	36.00# (new)
Production	0'-10,400'	6-1/4"	4-1/2"	N-80/P-110	11.6# (new)

<sup>\*</sup>Subject to review on the basis of actual conditions encountered. Production casing depth will be adjusted based on results.

#### 5. Cement Program\*:

Conductor - 0-40'

Ready Mix to surface

Surface Casing -0-3,375'

Lead: 520 sx HLC Type V (65% CEMENT+35% poz w/ 6% gel, 2% CaCl & 0.125 lbm/sk Flocele, 25% excess

<u>Tail</u>: 450 sx Type V (Class G) w/ 2% CaCl & 0.125lbm/sk Flocele, 75% excess

Will top with cement down 1" pipe with 50 sx Premium Top Out Cement.

Cement Characteristics: Lead

Yield = 3.12 cu ft per sk Slurry Weight = 11.6 ppg

Compressive Strength = 500 psi (24 hrs

@ 80 degrees F)

Tail

Yield = 1.17 cu ft per sk Slurry Weight = 15.8 ppg

Compressive Strength = 3,000 psi (24 hrs @ 80 degrees F)

Production Casing - 0'- 10,400'

Lead: 425 sx 50:50 Poz Premium AG w/ 5 lbm/sk Silicalite, 0.2% Diacel LWL (fluid loss), 20% SSA-1 (cement material), 0.1% Versaset (thixotropic), 1.5% Zonesealant 2000 (foamer) foamed to 9 ppg

2<sup>nd</sup> Stage: 300 sx 50:50 Poz Premium AG w/ 5 lbm/sk Silicalite, 0.2% Diacel LWL (fluid loss), 20% SSA-1 (cement material), 0.1% Versaset (thixotropic), 1.5% Zonesealant 2000 (foamer) foamed to 11 ppg

Tail: 90 sx 50:50 Poz Premium AG w/ 5 lbm/sk Silicalite, 0.2% Diacel LWL, 20% SSA-1, 1.5% Zonesealant 2000, 0.1% Versaset, Unfoamed at 14.2 ppg

15% excess.

Cement Characteristics: Yield = 2.01-1.23 cu ft per sk

Slurry Weight (not foamed) = 14.2 ppg Slurry Weight (foamed) = 9-11 ppg Compressive Strength = 1,125 psi

(24 hrs @ 140 degrees F) = 1,500 psi

(7 days @ 140 degrees F)

\*Actual cement volumes will be based on caliper log calculations and drilling experience.

- 6. Testing, Logging, Coring:
  - A. Drill Stem Tests none anticipated
  - B. Electric Logs DIFL/SP/GR from TD to surface SDL/CNL/CAL w/ DFIL from TD to 3,200'
  - C. Coring Possible sidewall coring in the Dakota, Cedar Mountain, Morrison & Entrada.
- 7. Drilling Fluids:

Page 6 Wind River II Corp. Cherry Mesa 12-27-16-22

8. Abnormal Pressures and Hazards:

No abnormal pressures or hydrogen sulfide are anticipated based on operator'sdrilling to the same formations at similar depths in the Flat Rock Field area, approximately 14 miles to the northwest. Anticipate mud weight of 9.2 ppg at TD.

# SURFACE USE PLAN WIND RIVER II CORPORATION

#### **CHERRY MESA 12-27-16-22**

#### 1. Existing Roads:

A. Topographic Map "A" shows the vicinity of the well, including the intersection (Three Pines Jct.) of the Divide, Winter Ridge, Moon Ridge and Hay Canyon roads. This point is reached from Ouray, Utah, on State Road 88, the Seep Ridge Road and the Divide Road. The distance from Ouray to the Seep Ridge/Divide Road intersection is 55 miles. A right turn (to the southwest) onto the Divide Road will lead to Three Pines Jct. in 9.2 miles. Continue approximately 6.3 miles through the junction on the Moon Ridge Road to the Cherry Mesa two-track on the right (north). Follow the Cherry Mesa two-track northwest for 2.0 miles to the start of the lease road.

Topographic Map "B" shows the Cherry Mesa two-track in detail. The point where the access road departs the existing Cherry Mesa two-track is approximately 72.5 miles from Ouray. The proposed lease access road will be 90' long.

#### 2. Planned Access Road:

Refer to Topographic Map "B".

- A. The two-track will be upgraded for a distance of 2 miles. The length of new road will be approximately 90'.
- B. The right-of-way width is 50' (25' on either side of the centerline) with a 20-foot wide running surface.
- C. Maximum grade will be less than 2%.
- D. No turn-outs are planned.
- E. The new road will be crowned, ditched and dipped to provide adequate drainage.

- F. No culverts or bridges are anticipated.
- G. Surface material will be shale native to the area or locally obtained limestone or tar sands.
- H. No gates or cattleguards will be needed. Nor will any existing facilities be modified.
- I. The proposed road was flagged when the location was staked.
- J. The authorized officer will be contacted at least 24 hours in advance of commencement of construction of the access road and well pad.

#### 3. Location of Existing Wells:

The nearest well is the operator's Snowshoe 4-15-22-16, approximately 2.54 miles' to the northwest.

4. Location of Existing and/or proposed Facilities:

There are no existing facilities on the proposed well pad. All proposed facilities will be contained within the proposed location site (see attached "Location Layout").

Gas transportation will be via a Wind River II gathering system to the Uinta Basin Field Service pipeline. The operator will submit information concerning proposed on and off well pad facilities once production has been established by applying for approval of subsequent operations.

- 5. Location and Type of Water Supply:
  - A. Water for drilling will be purchased from Bert Delambert (Water Right #49-123) and hauled by truck from his ranch in Main Canyon.
  - B. Water will be transported by truck on the Winter Ridge, Divide, Moon Ridge, Cedar Camp and other existing roads.
  - C. No water well will be drilled.

#### 6. Source of Construction Materials:

- A. It is not anticipated that any construction materials will be needed for the drilling phase of this project. Gravel, shale or road base materials needed to upgrade access roads and well pad will be obtained from a shale pit planned on SITLA land or the PR Springs tar sand pit and trucked to the location.
- B. The entire well site and all access roads to be upgraded or built are located on lands of the Utah School and Institutional Trust Administration.
- C. All construction materials used in building the well pad and access road will be native material accumulated during construction. In the event that additional materials are needed, they will be obtained from SITLA land or from private sources.

#### 7. Methods for Handling Waste Disposal

A. Drill cuttings will be buried in the reserve pit.

Sewage waste will be contained in portable chemical toilets serviced by a commercial sanitary service.

Garbage and trash will be contained in trash baskets and hauled to a sanitary landfill.

Salt and chemicals will be kept in proper containers and salvaged for future use or disposed of at an approved facility.

- B. Drilling fluids will be contained in the reserve pit and mud tanks. To the extent possible, drilling fluids and water will be saved for use at future drilling locations. Unusable drilling fluids and water will be disposed of in an approved manner upon the completion of the well.
- C. The reserve pit will be lined with 12-mil plastic nylon reinforced liner installed over sufficient bedding material to cover any exposed rocks.

The pit will be fenced on three sides with 39" net wire, topped with a minimum of one stand of barbed wire. All wire will be stretched prior to attachment to the corner posts. The fourth side will be fenced when drilling activities are completed to allow drying.

8. Ancillary Facilities:

No airstrips will be built. Mobile living quarters and office facilities for supervisors, drilling crew, geologists and mud loggers will be confined to the drilling location as shown on the "Location Layout" diagram.

#### 9. Well Site Layout:

- A. Refer to attached "Typical Cross Section" diagram for cuts and fills and relation to topography
- B. Refer to "Location Layout" diagram for location of mud tanks, reserve and flare pits, pipe racks, living facilities and top soil stockpiles.
- C. Refer to "Location Layout" diagram for rig orientation, access road and parking area.

#### 10. Plans for Restoration of the Surface:

#### A. Producing well location

- i. Immediately upon well completion the location and surrounding area will be cleared of all unused tubing, equipment, debris, materials, trash and junk not required for production.
- ii. Immediately upon well completion any hydrocarbons on the reserve pit will be removed and disposed of properly.
- iii. The reserve pit and that portion of the location not needed for production facilities/operations will be re-contoured to the approximate natural contours. The reserve pit will be reclaimed within 90 days of the date of well completion, or as soon thereafter as is practical. Before any dirt work takes place, the reserve pit must be completely dry and all cans, barrels, pipe, etc, removed. The liner will be perforated and torn prior to backfilling.
- iv. Access roads will be graded and maintained to prevent erosion and accommodate year-round traffic.
- v. All disturbed areas not needed for operations will be seeded with the mixture required by SITLA.

#### B. Dry Hole/Abandoned Location

At such time as it is determined that the well is to be plugged and abandoned, the operator will submit a subsequent report of abandonment to the Utah DOG&M. The operator will then consult with DOG&M and SITLA to obtain plugging orders.

#### 11. Surface Ownership:

Access roads and location are owned by SITLA and are within the approved Rock Spring Unit.

#### 12. Additional Information:

- A. The operator will inform all persons in the area who are associated with this project that they will be subject to prosecution for knowingly disturbing historic or archaeological sites, or for collecting artifacts. If historic or archaeological materials are uncovered during construction, the operator will immediately stop work that might further disturb such materials, and will inform the SITLA archaeologist of the discovery.
- Whether the materials appear to be eligible for the National Register of Historic Places;
- The mitigation measures the operator will likely have to undertake before the site can be used (assuming in situ preservation is not necessary); and
- A time frame for the AO to complete an expedited review under 36 CFR 900.11 to confirm, through the State Historic Preservation Officer, that the findings of the AO are correct and that mitigation is appropriate.
  - If the operator wishes at any time to relocate activities to avoid the cost of mitigation and/or the delays associated with this process, the AO will assume responsibility for whatever recordation and stabilization of the exposed materials may be required. Otherwise, the operator will be responsible for mitigation costs. The AO will provide technical and procedural guidelines for the conduct of mitigation. Upon verification from the AO that required mitigation has been completed, the operator will be allowed to resume construction.
- B. Less than 10,000 pounds of any chemical(s) on EPA's <u>Consolidated</u>
  <u>List of Chemicals Subject to Reporting Under Title III of the Superfund</u>

Amendments and Reauthorization Act (SARA) of 1986, and less than threshold planning quantity (TPQ) of any extremely hazardous substance(s), as defined in 40 CFR, would be used, produced, transported, stored, disposed of, or associated with the proposed operation.

#### 13. Lessee's or Operator's Representative:

Marc T. Eckels, Vice President
Wind River II Corporation
1245 East Brickyard Road, Suite 110
Salt Lake City, UT 84106
Office – 801-466-4131
Fax - 801-466-4132
Cell – 435-901-4217
Home – 435-649-9295

I have inspected the proposed drill site and access road; am familiar with the conditions which currently exist; the statements made in this plan are true and correct to the best of my knowledge; and the work associated with the operations proposed here will be performed by Wind River II Corporation and its contractors and subcontractors in conformity with the plan and the terms and conditions under which it is approved.

August 27, 2007

Date

Marc T. Eckels Vice President

## WIND RIVER II CORPORATION

CHERRY MESA #12-27-16-22

LOCATED IN GRAND COUNTY, UTAH SECTION 27, T16S, R22E, S.L.B.&M.



PHOTO: VIEW FROM CORNER #5 TO LOCATION STAKE

**CAMERA ANGLE: NORTHERLY** 



PHOTO: VIEW FROM BEGINNING OF PROPOSED ACCESS

**CAMERA ANGLE: NORTHERLY** 



LOCATION		08 MONTH	14 DAY	07 YEAR	рното
TAKEN BY: M.A.	C. RE	VISED: (	00-00-00		

